

HOUSE BILL 3289

By Maddox

AN ACT to amend Tennessee Code Annotated, Title 49,
Chapter 4, Part 9, relative to postsecondary
financial assistance from net lottery proceeds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-4-906, is amended by deleting the section in its entirety and by substituting instead the following:

§ 49-4-906.

Except for the ASPIRE award under § 49-4-915, the Tennessee HOPE access grants under § 49-4-920 and the Tennessee HOPE scholarship for nontraditional students under § 49-4-931, eligibility for scholarships or grants awarded under this part shall not be restricted or limited by the adjusted gross income attributable to a student. Students applying for the ASPIRE award under § 49-4-915, for a Tennessee HOPE access grant under § 49-4-920 or for a Tennessee HOPE scholarship for nontraditional students under § 49-4-931 shall file a FAFSA with TSAC.

SECTION 2. Tennessee Code Annotated, Section 49-4-915(a)(2), is amended by deleting the language "thirty-six thousand dollars (\$36,000)" and substituting instead the language "forty thousand dollars (\$40,000)".

SECTION 3. Tennessee Code Annotated, Section 49-4-920, is amended by deleting the language "thirty-six thousand dollars (\$36,000)" wherever it appears and substituting instead the language "forty thousand dollars (\$40,000)".

SECTION 4. Tennessee Code Annotated, Section 49-4-931(a)(3), is amended by deleting the language "thirty-six thousand dollars (\$36,000)" and substituting instead the language "forty thousand dollars (\$40,000)".

SECTION 5. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by adding the following language as a new, appropriately designated section:

§ 49-4-9__.

(a) To be eligible for a Tennessee scholar supplemental award, a student shall:

(1) Meet all nonacademic requirements for a Tennessee HOPE scholarship;

(2) Achieve a final overall weighted high school grade point average of at least 3.0;

(3) Attain a composite ACT score of at least 21 on any single ACT test date or a combined SAT score of at least 980 on any single SAT test date;

(4) Successfully complete all requirements of the Tennessee scholars program; and

(5) Apply for a Tennessee scholar supplemental award at the time such student applies for a Tennessee HOPE scholarship.

(b) A student, who receives a Tennessee scholar supplemental award as an entering freshman shall continue to be eligible for a Tennessee scholar supplemental award, if the student meets all requirements of § 49-4-911 for continuation of a Tennessee HOPE scholarship.

(c) If a student receiving a Tennessee scholars supplemental award ceases to be academically eligible for the Tennessee HOPE scholarship by failing to maintain the required cumulative grade point average at the end of any semester in which academic eligibility is reviewed under § 49-4-911, then the student may regain the Tennessee HOPE scholarship award under § 49-4-

911(c), but may not regain the Tennessee scholars supplemental award. If a student receiving a Tennessee scholars supplemental award ceases to be eligible for a Tennessee HOPE scholarship at any time for any reason other than failure to maintain the required cumulative grade point average, then the student shall not be able to regain either the Tennessee HOPE scholarship or the Tennessee scholar supplemental award.

(d) A student who meets the requirements for a Tennessee scholars supplemental award shall receive a Tennessee HOPE scholarship award under § 49-4-914 and a Tennessee scholar supplemental award. The Tennessee scholar supplemental award for full-time students shall be one thousand dollars (\$1,000) for the 2008-2009 academic year. For academic years subsequent to the 2008-2009 academic year, the amount of the Tennessee scholar supplemental award shall be determined in accordance with § 4-51-111 and shall be set in the general appropriations act. Both the Tennessee HOPE scholarship award and the Tennessee scholar supplemental award are subject to the amounts appropriated by the general assembly and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery.

SECTION 6. Tennessee Code Annotated, Section 49-4-917, is amended by deleting the section in its entirety and by substituting instead the following:

Students may receive only one (1) of the following awards:

- (1) The ASPIRE award, under § 49-4-915;
- (2) The supplemental award as a General Assembly Merit Scholar under § 49-4-916; or
- (3) The Tennessee scholar supplemental award under Section 5 of this act.

SECTION 7. Tennessee Code Annotated, Section 49-4-937(b), is amended by deleting the language "General Assembly Merit Scholarships" and by substituting instead the language "General Assembly Merit Scholarships, Tennessee scholar supplemental awards".

SECTION 8. Tennessee Code Annotated, Section 49-4-930, is amended by adding the following language at the end of subsection (b):

A student may receive a dual enrollment grant for no more than five (5) courses. Such courses shall be taken during the junior and senior years of high school.

SECTION 9. Tennessee Code Annotated, Section 49-4-902(22), is amended by deleting the subdivision in its entirety and substituting instead the following:

(22) "Nontraditional student" means a student who is at least twenty-three (23) years of age, who has not previously been a recipient of a Tennessee HOPE scholarship and who enrolls in an eligible postsecondary institution:

(A) As an entering freshman; or

(B) At least two (2) years after last attending any eligible postsecondary institution or a regionally accredited postsecondary institution located outside of Tennessee.

SECTION 10. Tennessee Code Annotated, Section 49-4-931(a), is amended by deleting subdivision (4) in its entirety and by substituting instead the following:

(4) Attend an eligible postsecondary institution and attempt at least twelve (12) semester hours;

SECTION 11. Tennessee Code Annotated, Section 49-4-931(a), is further amended by deleting subdivision (6) and substituting instead the following:

(6) Maintain continuous enrollment at the eligible postsecondary institution attended after entering such institution as a nontraditional student; and

SECTION 12. Tennessee Code Annotated, Section 49-4-931(b), is amended by deleting the subsection in its entirety and by substituting instead the following:

(b) A nontraditional student shall be eligible for a Tennessee HOPE scholarship at the end of the semester in which the student has attempted a total of twelve (12) semester hours, if the student has a cumulative grade point average of at least 2.75. A nontraditional student who does not achieve a cumulative grade point average of at least 2.75 at the end of the semester in which the student has attempted a total of twelve (12) semester hours shall be eligible for a Tennessee HOPE scholarship, if the student achieves the required cumulative grade point average at the end of any semester in which eligibility is reviewed under § 49-4-911.

SECTION 13. Tennessee Code Annotated, Section 49-4-931, is further amended by deleting subsection (c) in its entirety and substituting instead the following:

(c)

(1) To continue to receive a Tennessee HOPE Scholarship, such student shall meet the requirement of § 49-4-911, except that only semester hours attempted as a nontraditional student shall be used in determining whether a student continues to be eligible to receive the scholarship.

(2) A HOPE scholarship awarded under this section shall be subject to § 49-4-913, except that only enrollment as a nontraditional student shall be used in determining whether a student continues to be eligible to receive the scholarship.

SECTION 14. Tennessee Code Annotated, Section 49-4-902, is amended by adding the following language as new, appropriately designated subdivisions:

() "Cost of attendance" means the combined cost of tuition, mandatory fees, room and board, books and other educational expenses as determined by the financial aid office of the eligible postsecondary institution;

() "Gift aid" means scholarships and grants from any source, including funds provided through the federal Foster Care Independence Act of 1999 and other similar programs. Student loans and work-study awards shall not be considered gift aid;

SECTION 15. Tennessee Code Annotated, Section 49-4-933, is amended by deleting subsection (f) in its entirety and substituting instead the following:

(f) The Tennessee HOPE foster child tuition grant shall be the cost of attendance less any gift aid, with the total HOPE foster child tuition grant amount not to exceed the cost of tuition and mandatory fees at the eligible postsecondary institution attended. Additionally, at an eligible independent postsecondary institution, the Tennessee HOPE foster child tuition grant shall not exceed the statewide average public tuition and mandatory fee rate for the type of institution (two-year or four-year) attended. The Tennessee HOPE foster child tuition grant is subject each year to the amounts appropriated by the general assembly and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery.

SECTION 16. Tennessee Code Annotated, Section 49-4-933, is further amended by deleting subsection (e) in its entirety:

SECTION 17. Sections 14 through 16 of this act that amend the provisions concerning the Tennessee foster child tuition grant are declared to be remedial in nature and to that end shall apply to all Tennessee HOPE foster child tuition grant awards made on or after July 1, 2006.

SECTION 18. Tennessee Code Annotated, Section 49-4-914, is amended by adding the following language as a new, appropriately designated subsection:

() Notwithstanding the provisions of subsection (b) to the contrary, beginning with the 2008-2009 academic year and for academic years thereafter, the amount of a

Tennessee HOPE scholarship awarded to a student attending an eligible two-year postsecondary institution who resides in on-campus housing shall be the same as the amount of a Tennessee HOPE scholarship awarded to students attending eligible four-year postsecondary institutions.

SECTION 19. Tennessee Code Annotated, Section 49-4-913, is amended by deleting section in its entirety and by substituting instead the following:

§ 49-4-913. Except as set forth in §§ 49-4-930, 49-4-931 and 49-4-937, a student may receive a Tennessee HOPE scholarship until the first of the following events:

- (1) The student has earned a baccalaureate degree; or
- (2) The student has been enrolled at any postsecondary institution for five (5) full-time equivalent years.

SECTION 20. Tennessee Code Annotated, Section 49-4-919(a), is amended by deleting subdivisions (1), (2) and (3) in their entireties and by substituting instead the following:

- (1) The student has earned a baccalaureate degree; or
- (2) The student has been enrolled at any postsecondary institution for five (5) full-time equivalent years; provided, that only enrollment as a nontraditional student shall be used in calculating the number of full-time equivalent years a nontraditional student has received the scholarship.

SECTION 21. Tennessee Code Annotated, Section 49-4-920(f), is amended by deleting the subsection in its entirety and by substituting instead the following:

- (f) A student may receive a Tennessee HOPE scholarship after having received a Tennessee HOPE access grant until the first of the following events:
- (1) The student has earned a baccalaureate degree; or
 - (2) The student has been enrolled at any postsecondary institution for

five (5) full-time equivalent years.

SECTION 22. Tennessee Code Annotated, Section 49-4-930, is amended by deleting subsection (c) in its entirety and by substituting instead the following:

(c) Enrollment at an eligible postsecondary institution under a dual enrollment grant shall not count, under § 49-4-913, toward the limitation on the receipt of a Tennessee HOPE scholarship.

SECTION 23. Tennessee Code Annotated, Section 49-4-937(c), is amended by deleting the subsection in its entirety and by substituting instead the following:

(c) Enrollment at a Tennessee technology center by a student working towards a diploma before receiving a Tennessee HOPE scholarship, General Assembly Merit Scholarship, or Tennessee HOPE access grant under this section shall not count under § 49-4-913 or § 49-4-920 towards the limitation on receipt on a Tennessee HOPE scholarship, or Tennessee HOPE access grant.

SECTION 24. Tennessee Code Annotated, Section 49-4-936, is amended by deleting subsection (a) in its entirety and by substituting instead the following:

(a) To be eligible for a Tennessee HOPE teacher's scholarship, a teacher shall:

- (1) Be a licensed Tennessee teacher teaching in a Tennessee public school system or a Tennessee private school;
- (2) Not be ineligible for the scholarship under § 49-4-904;
- (3) Meet the requirements of § 49-4-905(a). Section § 49-4-905(b) shall not apply to teachers seeking Tennessee HOPE teacher's scholarships;
- (4) Be admitted to and attend an eligible postsecondary institution seeking an advanced degree in mathematics or a science, or certification to teach mathematics or a science;
- (5) Maintain satisfactory progress in the teacher's program of study;

(6) Agree to teach mathematics or a science in a Tennessee public school system two (2) academic years for each year of funding provided by a Tennessee HOPE teacher's scholarship;

(7) Sign a promissory note that stipulates the cash repayment obligation incurred if the teaching service is not fulfilled. If a teacher fails to teach mathematics or a science in a Tennessee public school system for the number of years required to fulfill the teacher's obligation pursuant to the award of a Tennessee HOPE teacher's scholarship, then all funds obtained from the award of the scholarship shall be repaid; provided, however, that no repayment shall be due, if TSAC finds that it is impossible for the teacher to fulfill the obligation because of the death or permanent disability of the teacher; and

(8) Apply for a Tennessee HOPE teacher's scholarship.

SECTION 25. Tennessee Code Annotated, Section 49-4-936, is amended by inserting the following language as a new subsection (e) and by redesignating the subsequent subsection accordingly:

(e) As used in this section, unless the context otherwise requires, "private school" means a school as defined in § 49-6-3001(c)(3)(A)(i) and (iii).

SECTION 26. Tennessee Code Annotated, Section 49-4-934(a), is amended by deleting subdivisions (1) and (2) in their entireties and by substituting instead the following:

(1) Graduate from a high school in the foreign nation where the student's parent is a religious worker and, if the high school is:

(A) Accredited by a regional accrediting association, meet the academic eligibility requirements of § 49-4-907(3); or

(B) Not accredited by a regional accrediting association, meet the academic eligibility requirements of § 49-4-908(2)(A); or

(2) Complete high school in a home school in the foreign nation where the student's parent is a religious worker and meet the academic eligibility requirements of § 49-4-908(2)(B).

SECTION 27. A student may apply for the retroactive award of a Tennessee HOPE scholarship for any semester of the 2005-2006, 2006-2007, or 2007-2008 academic years in which the student would have qualified for a scholarship under § 49-4-934 as amended by Section 26 of this act, had the provisions of this act been in effect during those academic years. TSAC shall award the scholarship retroactively for those academic years to any student who would have qualified for the scholarship had the provisions of this act been in effect.

SECTION 28. Tennessee Code Annotated, Section 49-4-902, is amended by deleting in existing subdivision (20), which is the definition of "home school student", the language "two (2) years" in the second sentence and by substituting instead the language "one (1) year".

SECTION 29. Tennessee Code Annotated, Section 49-4-908, is amended by deleting subdivision (2) and by substituting instead the following:

(2)

(A) Attain a composite ACT score of at least 21 on any single ACT test date or a combined SAT score of at least 980 on any single SAT test date, if such student graduated from a high school located in Tennessee that is not an eligible high school;

(B)

(i) Attain a composite ACT score of at least 21 on any single ACT test date or a combined SAT score of at least 980 on any single SAT test date, if such student completed high school in a Tennessee home school program and was a student in a Tennessee home school program for two (2) or more years immediately preceding completion of high school; or

(ii) Attain a composite ACT score of at least 25 on any single ACT test date or a comparable combined SAT score as determined by TSAC on any single SAT test date, if such student completed high school in a Tennessee home school program and was a student in a Tennessee home school program for less than two (2) years immediately preceding completion of high school; or

(C) Pass the GED tests with an average score of at least 525 and attain a composite ACT score of at least 21 on any single ACT test date or a combined SAT score of at least 980 on any single SAT test date, if such student obtained a GED; and

SECTION 30. Tennessee Code Annotated, Section 49-4-909(a)(2), is amended by deleting subdivision (B) in its entirety and by substituting instead the following:

(B)

(i) Meet the requirements of § 49-4-908(2)(A), if the student graduated from a high school located in Tennessee that is not an eligible high school;

(ii) Meet the requirements of § 49-4-908(2)(B), if the student completed high school in a Tennessee home school program; or

(iii) Meet the requirements of § 49-4-908(2)(C), if the student obtained a GED;

SECTION 31. Tennessee Code Annotated, Section 49-4-906, is amended by designating the existing language as subsection (a) and by adding the following language as new subsection (b):

(b) TSAC, with the assistance of THEC, shall develop a policy concerning the adoption of an application form as an alternative to filing a FAFSA. Before implementing such policy, TSAC shall report to the education committees of the house of representatives and the senate as to the policy that it proposes to adopt.

SECTION 32. Tennessee Code Annotated, Section 49-4-911, is amended by add the following language as new subsection (f):

(f) Notwithstanding any provision of this part to the contrary, a student who is a Tennessee HOPE scholarship recipient and who achieves at least a 2.75 cumulative grade point average at the end of the semester in which the student has attempted a total of forty-eight (48) or seventy-two (72) semester hours, or ninety-six (96) semester hours if the student is enrolled in an undergraduate degree program requiring more than one hundred twenty (120) semester hours, may retain the HOPE scholarship, except that the award shall only be three-fourths (3/4) of the full HOPE scholarship award that the student would have been eligible to receive had the student achieved a cumulative grade point average of at least 3.0. If such student achieves a cumulative grade point average of at least 3.0 at a succeeding benchmark, then the student shall be eligible for the award of the full HOPE scholarship; provided, that the student meets all nonacademic requirements for eligibility at such time.

SECTION 33. Tennessee Code Annotated, Section 49-4-927, is amended by deleting the section in its entirety and by substituting instead the following;

§ 49-4-927.

(a) There is created a special joint committee to study the manner in which financial assistance shall be provided from net lottery proceeds of the state lottery established pursuant to article XI, § 5 of the Constitution of Tennessee to citizens of this state to enable such citizens to attend postsecondary institutions located within this state.

(b) The committee shall be composed of six (6) members of the senate and six (6) members of the house of representatives. The chairs of the education committees of the senate and the house of representatives shall serve on the committee. The speaker of the senate shall appoint the remaining senate members of the committee and the

speaker of the house of representatives shall appoint the remaining house members of the committee. The members of the committee shall be appointed in such manner so that the majority party of the senate and the minority party of the senate have equal representation and the majority party of the house of representatives and the minority party of the house of representatives have equal representation.

(c) All appropriate state agencies shall provide assistance to the special joint committee upon request of the chairs. The Tennessee Independent Colleges and Universities Association and the eligible independent postsecondary institutions are urged to provide assistance voluntarily to the committee upon request of the chairs.

(d) The special joint committee shall be convened by the chair of the education committee of the senate and chair of the education committee of the house of representatives. The chairs shall serve as co-chairs of the committee.

(e) The special joint committee shall review and study the manner in which financial assistance is provided from lottery proceeds under this part to citizens of this state to enable such citizens to attend postsecondary institutions located within this state. The committee shall specifically study:

(1) Whether an early commitment program for at-risk students should be added to those programs already enacted that provide financial assistance for postsecondary attendance from net lottery proceeds;

(2) Whether programs should be enacted, expanded or modified that provide for reclamation of students by providing financial assistance for postsecondary education to students who are not entering freshmen;

(3) Whether financial assistance for postsecondary education should be provided to encourage students to enter and teach in fields that have critical shortages of teachers in Tennessee;

(4) Whether administration of the present lottery scholarship program can be improved, including, but not limited to, changes in calculation of the cumulative grade point average for continuation of a Tennessee HOPE scholarship, changes in benchmarks at which continuing eligibility is reviewed, changes to the determination of home of record for dependent children of military personnel under § 49-4-926; and

(5) Other issues that the committee deems relevant.

(f) The special joint committee shall report its findings and recommendations, including any proposed legislation, to the One Hundred Sixth General Assembly no later than February 1, 2009, at which time the committee shall cease to exist.

SECTION 34. This act shall not be construed to be an appropriation of funds and no funds shall be obligated or expended pursuant to this act unless such funds are specifically appropriated by the general appropriations act.

SECTION 35. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 36. Sections 1 through 13 and Sections 18 through 33 of this act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to students seeking postsecondary financial assistance from net lottery proceeds for academic year 2008-2009 and academic years thereafter. All remaining sections of this act shall take effect upon becoming a law, the public welfare requiring it.